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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 001814

SIPDIS

STATE FOR SA/INS LONDON FOR POL - GURNEY NSC FOR MILLARD

E.O. 12958: DECL: 09/15/2013

TAGS: <u>PGOV PTER NP</u>
SUBJECT: NEPAL: COMMUNIST PARTY LEADER ON ALL-PARTY

GOVERNMENT, MAOISTS

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5 (B,D).

SUMMARY

11. (C) In a September 16 meeting with the Ambassador, Communist Party of Nepal - United Marxist Leninist (UML) General Secretary Madhav Nepal emphasized that he hopes the Palace will invite the political parties to form an all-party government. A strong leader is needed to deal with the Maoist problem, he stressed, and intimated that he could such leadership. He criticized the Government of Nepal (GON) for having been too lenient toward the Maoists during the ceasefire and complained vocally of some donors plans to direct aid programs to Maoist-affected areas. summary.

NEPAL SEEKS ALL-PARTY INVITE

12. (C) On September 16 the Ambassador met with Communist Party of Nepal - United Marxist Leninist (UML) General Secretary Madhav Nepal at Nepal's request. The Ambassador

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thanked Nepal for modifying the all-party protest that began on Sept. 4. Nepal replied that he had never intended to adopt a confrontational line with the GON. The country has entered an abnormally complicated period that requires the cooperation of all constitutional forces, he declared, and a strong leader capable of uniting those forces. have placed extraordinary demands on Prime Minister Surya Bahadur Thapa, a man of poor health and advanced age, Nepal suggested; the best course of action would be for the Prime Minister to resign. Then an all-party government could be formed and "a new process," possibly including the revival of Parliament, could take place. The Ambassador asked whether the political parties would agree to join an all-party government--even one of very limited duration--under Thapa. Mepal initially ruled out such a possibility, but then modified his response to note his party's "strong reservations" about such a proposal. In any event, he said, any proposal would have to be vetted and approved simultaneously by the five parties. His first preference, he stressed, would be for a new all-party government to be formed.

WHAT'S IN A NAME?

13. (C) Nepal questioned rhetorically whether indicatations that the King is considering forming an all-party government are "only another drama." He recalled that the King's earlier solicitation for proposals for an all-party government—and his subsequent rejection of Nepal as the consensus candidate—had only deepened the atmosphere of mistrust and suspicion. He took great pains to assure the Ambassador that his party's positions had been misrepresented in the press. The UML has always supported multiparty democracy, he asserted, and has no aim to establish a republic. Despite its Communist name, his party is firmly anti-Maoist, he averred, and has always stood for strong moral values and good governance. His speeches have been misinterpreted by the Palace, he lamented, and have contributed to a "misunderstanding" with the King. He added that he had never criticized the monarch in public, as many claim he has done.

MAOIST MISREPRESENATIONS

(C) Nepal complained that many liberal European politicians and human rights organizations, including Amnesty International, have been taken in by the Maoists' populist rhetoric. He has no such illusions, he asserted, noting that he had challenged the Maoists' description of their militia as the "people's army" by pointing out to the Maoist leadership that armed insurgents have killed hundreds of innocent Nepalis. The Maoists should be clear that they are using the so-called "people's army" to serve their own lust for power, he noted. He added that he had been displeased to read that some European donors, including DFID (UK), DANIDA (Denmark) and the EU, are targeting their assistance programs to Maoist-affected areas. A large percentage of such funds will surely be subverted by the Maoists to serve their own purposes, he predicted, instead of helping the needy. He criticized the GON decision to release several Maoist Central Committee members during the ceasefire. Instead, the GON should have released low-level cadres to show "flexibility" during the peace talks but held on to the few leaders in detention. The Maoists used the ceasefire as a "golden time" to build up their strength, he charged. The GON could have held talks without calling a ceasefire to keep the pressure on the Maoists, he suggested.

COMMENT

15. (C) Comment: Popular, albeit flawed, wisdom holds, despite our repeated reassurances to the contrary, that the USG would object to a government headed by a party with the word "communist" in its name. Nepal seemed to take considerable effort to stress to us his party's democratic credentials, perhaps in an effort to allay putative US "suspicions" of a possible UML government. We are not, however, the ones he has to convince. Palace mistrust of Nepal and his party is more personal than political, and runs deeper than questions of mere nomenclature. Nepal's more subdued public tone since the Sept. 4 protests is an obvious effort to mend fences. Whatever his personal opinion of Nepal, the King needs the participation and backing of the UML, Nepal's largest party, if he is serious about seeking an all-party government.

MALINOWSKI